

2007-08 Federal Legislative and Regulatory Investment Policy Guidelines

Overarching Principles

- To preserve and enhance the independent fiduciary authority of institutional investors, to act for the exclusive benefit of their plan participants and beneficiaries; and
- To advocate for a global financial marketplace that ensures the long-term sustainability of the plan's investments and values responsible corporate conduct as well as shareowner engagement; and
- To advocate for the enhancement of the retirement security of public sector employees through participation in savings plans that supplement their defined benefit plans.

Fiduciary Authority

Support efforts to preserve the investment authority of plan trustees and administrators, and to act as independent fiduciaries on behalf of plan participants and beneficiaries.

Oppose policies that restrict or direct investment options and decision-making such as any federally mandated investment restrictions or requirements.

To not oppose Federal investment restrictions, provided that any restrictions be imposed consistently among all U.S. investors, in the event that the Federal government determines that an investment is not in the national interest of the United States of America.

Global Financial Marketplace

Support policies that enable a healthy, accessible, and transparent global marketplace and the sustainability of our long term investments.

Oppose policies that could serve to limit the health, accessibility, or transparency of the global marketplace, or the sustainability of our long term investments

Corporate Accountability

Support actions and policies that support effective implementation of the spirit of, as well as the goals and objectives embodied within, the Sarbanes-Oxley Act.

Support policies that enhance greater communication and transparency between companies and investors.

Support policies that encourage a corporate culture of accountability and transparency wherein directors are accountable to shareowners and management is accountable to directors.

Oppose efforts to reduce investor rights and protections.

Shareowner Rights

Support efforts to ensure meaningful accountability in the boardroom and that establish the alignment of the interests of directors with those of shareowners, such as providing shareowners with an effective mechanism to nominate qualified directors.

Support efforts to require shareowner input on executive compensation, such as enhanced transparency regarding the design of compensation policies; greater linkage between corporate performance and compensation, and opportunities to vote on compensation policies.

Support policies that encourage the implementation of majority vote election procedures for corporate directors.

Energy and the Environment

Support policies that improve transparency and timely disclosure of environmental risks, such as those associated with climate change that will enable investors to evaluate both risk and opportunities.

Support the development of a clear and predictable national climate policy that will enable businesses to evaluate and justify large-scale, long-term capital investments necessary to transition to a cleaner, more energy efficient economy.

Support the alignment of energy and transportation policies to stimulate new technologies that will enhance competitiveness and innovation leading to meaningful greenhouse gas reductions.

Supplemental Savings Plans

Support policies that enhance supplemental savings plans as a means to encourage participants to save for retirement and supplement their defined benefit pensions.

Diversity

Support policies and programs that recognize diversity as an important business issue that enhances competitiveness and innovation.